

Mac  
Edison  
Suits

May 28, 1908

Mr. Edison:--

Regarding the several composition suits, concerning which I spoke to you yesterday, I would like to have your formal approval of the proposed compromise. There are three suits altogether; two in which we are defendant and one in which we are complainant.

The first Graphophone suit is on the Macdonald patent describing a metallic soap with which aluminum is used to prevent crystallization. This invention had been used by us many years before the Macdonald application was filed, and one of the formulas was acquired directly from us through a former employee named Storms. The patent, in my opinion, is absolutely invalid, but unless the defence is brought out, it would be of value in excluding foreign records from the American market.

The second Graphophone suit is based on the Macdonald patent in which the soap composition is formed at a high temperature. This has always been our practice and in my opinion our prior use would be a valid defence, although the invention was independently made and not dishonest-

to C. W. Nash Phonos



ly acquired. The patent would have some value in stopping the practice of an infringing process in this country, but would have no value in excluding foreign records.

Our own suit against them is based on the Aylsworth carnauba wax patent. We do not use carnauba wax, and although the claims might in terms be broad enough to include our present composition, there is some doubt on this point. The Columbia Company probably still use carnauba and to enjoin them under the patent would probably drive them to the use of another material. The patent can be effectually used to support our jobbers and dealers agreements and it would be for this reason unfortunate or have it declared invalid, although I would not expect such a result.

Should the cases proceed to a final decision, in my opinion the two Macdonald patents would be invalidated and I have strong hopes that the Aylsworth patent would be sustained and be held infringed. Such a result would open up the market generally and any one could freely use the stearic acid-aluminum soap. The sustaining of the Aylsworth patent would probably not be seriously embarrassing for the Graphophone Company since they could certainly leave out the carnauba wax until some substitute was discovered, although Mr. Mauro tells me that they have been prepared to change their composition in the event of an unfavorable decision.

As a business proposition, I think we should be con-



Mr. Edison

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tent to have the Macdonald patents remain in force, because in that way we would have some protection from foreign competition. Under existing conditions I do not see how much would be gained even if we prevailed on the Aylsworth patent. Our principal object has, however, been secured, namely, putting the Graphophone Company to as great an expense in connection with these suits as possible. I recommend, therefore, that the matter be compromised by the Graphophone Company withdrawing their suits and by our withdrawing our suit; by their agreeing not to sue us on the Macdonald patents and our agreeing not to sue them on the Aylsworth patent.

I would like to have your approval of this suggestion.

FLD/MJL